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Cc: []

From: CN=Richard Mylott/OU=R8/O=USEPA/C=US

Sent: Wed 11/7/2012 4:15:07 PM

Subject: Greenwire: Colo. city passes fracking ban despite aggressive oil and gas industry campaign rules
[EnergyWire](#)

Colo. city passes fracking ban despite aggressive oil and gas industry campaign

Scott Streater, E&E reporter

Longmont is poised to become the first city in Colorado to ban hydraulic fracturing after voters there yesterday approved a measure prohibiting the practice within its boundaries, a move with broad implications for the oil and natural gas industry that will certainly trigger lawsuits from mineral rights owners and drillers that say they need to use fracking to tap vast reserves of shale oil and gas. Voters in the northern Colorado city decisively approved Ballot Question 300, which essentially amends the city's home rule charter to prohibit fracking in the city of roughly 86,000 residents. The approved ballot question also prohibits "disposal of solid or liquid wastes created in connection with the hydraulic fracturing process" in open pits, "including but not limited to flowback or produced wastewater and brine." In succeeding in getting the fracking ban approved, the grass-roots effort overcame staggering odds with the national and state oil and gas industry trade groups and companies outspending them during the campaign nearly 30-to-1, according to the latest city campaign finance reports.

"We spent months educating the citizenry, educating the public, and then in comes the industry with [nearly] a half a million dollars and the citizens weren't fooled," said Michael Belmont, a spokesman for Our Health, Our Future, Our Longmont, the citizens group that collected more than 8,000 signatures and got the fracking ban question placed on yesterday's ballot.

"Our message has really been health and the quality of life in this community," Belmont said. "And the quality and the health of the community is not for sale."

The oil and gas industry vowed late yesterday that it will challenge any attempt to block access to valid minerals rights due to the newly approved ban. And Colorado Gov. John Hickenlooper (D) has said the state could step in and sue to stop the fracking ban. "I can tell you that Longmont will continue to be an issue and that the decision on 300 will be a decision that Longmont will have to deal with for months and years to come," said Bill Ray, a spokesman for the industry-funded Main Street Longmont, an issues committee that spearheaded the campaign against Ballot Question 300.

The Western Energy Alliance and the Colorado Oil & Gas Association (COGA), as well as several energy development companies, referred questions about the ballot measure and the vote to approve it to Main Street Longmont.

The next step for the industry, Ray said, is to apply for a permit to develop wells within Longmont's city limits and have the city reject the application because of fracking, then file a lawsuit.

"The industry will vigorously defend the rights of oil and gas minerals rights leaseholders to have reasonable access to their minerals," Ray said. "We're confident if the taxpayers of Longmont balk at providing fair compensation to all oil and gas leaseholders in Longmont that are denied reasonable access, that the courts will have no problem overturning 300."

Bellmont said Our Health, Our Future, Our Longmont is already setting up legal representation and that it welcomes the challenges.

"We'd be disappointed" if there weren't legal challenges, he said. "We want this to be tested in court, and we want to win this in court. It will be another notch for the citizens of this country and for all the grass-roots groups to be confident they can make a difference and they can get things accomplished and they can effect change."

Growing industry concern

The Longmont measure is the latest public blowback against the use of hydraulic fracturing, or fracking, the controversial technique of injecting water, sand and chemicals underground at high pressure to create fissures in tight rock formations that allow oil and gas to flow to the surface.

The development of advanced fracking techniques has opened up vast storehouses of shale oil and gas reserves that were previously inaccessible. But it has caused a lot of worry and concern among local municipalities and grass-roots groups that the chemicals in the process could pollute drinking-water resources.

The Longmont City Council in July passed rules barring oil and gas wells from residential neighborhoods, a move that prompted the Colorado Oil and Gas Conservation Commission (COGCC) within days to sue to block it. COGCC is considering revised setback rules and new groundwater monitoring requirements to address concerns about drilling encroaching on residential areas and public schools.

Other cities have adopted fracking bans, including Binghamton, N.Y., where the state Supreme Court last month threw out the city's two-year moratorium on fracking because it was effectively worded as a full prohibition, as opposed to a temporary stay against drilling put in place to further study its effects on water supplies and landscapes (EnergyWire, Oct. 4).

The ban in Colorado will almost certainly face the same problem because a ban on fracking is equivalent to a ban on drilling, opponents say. They point to the 1992 Colorado Supreme Court ruling that the city of Greeley could not impose an outright ban on drilling within its city limits.

"We've said that all throughout this campaign," Ray said. "Fracking is used in over 90 percent of oil and gas operations here in Colorado, so banning fracking is pretty much banning oil and gas development."

That is why the Longmont ballot question has been closely watched by the oil and gas industry, which views it as having potentially broad implications for drillers not only in Colorado but across the nation.

Tim Wigley, president of the Denver-based Western Energy Alliance, which represents more than 400 energy companies across the Rocky Mountain West, encouraged industry representatives at a luncheon Friday to give money for last-minute advertisements and other efforts to defeat the fracking ballot question, remarking, "You have to beat these things down."

"We can't afford that particular issue to get out of the barn at Longmont," Wigley said to the crowd at the luncheon, which featured keynote speaker Rebecca Rosen, GOP presidential candidate Mitt Romney's energy and environment adviser.

Industry's aggressive campaign

The oil and gas industry in Colorado and nationwide certainly answered Wigley's call, spending lavishly in an effort to defeat the measure, according to campaign finance reports from the city of Longmont.

Two political "issue committees" established and funded by the oil and gas industry spent more than \$355,000, including a total of \$196,000 on advertisements meant to defeat the measure, according to the latest campaign contribution and expenditures reports issued last week.

Contributions to the industry-funded Longmont Taxpayers for Common Sense, which later changed its name to Main Street Longmont, included \$45,000 from the Colorado Oil & Gas Association and \$20,000 from the Colorado Petroleum Association, as well as \$30,000 from Denver-based Bill Barrett Corp. -- a major drilling operator in the state.

But many large donations came from national trade groups and companies, including \$50,000 from the American Natural Gas Alliance, \$30,000 from the American Petroleum Institute and \$30,000 from Houston-based Halliburton, according to the records.

"That tells you what the stakes of the election are and that from the industry point of view, they don't want to have to face these kinds of elections in municipalities in state after state," said Eric Sondermann, a Denver-based independent political analyst. "And so the money is being spent here to nip these kinds of issues in the bud."

Indeed, Calgary, Alberta-based Encana Corp. contributed \$30,000 to Main Street Longmont. While company spokesman Doug Hock said yesterday that Encana has no wells in Longmont, the company donated the money because the proposed fracking ban

"sets a bad precedent" for the industry across the country.

By comparison, the group Our Health, Our Future, Our Longmont was simply outmatched in its efforts to promote its cause.

The city campaign records show the group collected \$18,945, most ranging from \$50 to \$100 donations from local residents.

The group spent \$11,640 -- a mere fraction of what was spent by the oil and gas industry to defeat the measure.

More than half of the group's total expenditures -- \$6,224, according to city records -- went to Redwall Communications in Longmont to make flyers, handouts and other promotional materials. The group spent \$1,074 on a series of newspaper ads in the Longmont Times-Call, according to city records.

And yet Belmont, the grass-roots group's spokesman, said that despite being outgunned by industry, he never doubted the fracking ban would be approved.

"I wouldn't be standing here talking to you if I ever thought we had no chance," he said.

Streater writes from Colorado Springs, Colo.

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